



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

February 9, 2007

The Honorable Jennifer M. Granholm
Governor of Michigan
P.O. Box 30013
Lansing, Michigan 48909

The Honorable Ron Jelinek, Chair
Senate Appropriations Committee
State Capitol
P.O. Box 30036
Lansing, Michigan 48909-7536

The Honorable Valde Garcia, Chair
Senate Appropriations Subcommittee on Environmental Quality
State Capitol
P.O. Box 30036
Lansing, Michigan 48909-7536

The Honorable George Cushingberry, Jr., Chair
House Appropriations Committee
State Capitol
P.O. Box 30014
Lansing, Michigan 48909-7514

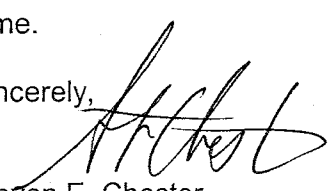
The Honorable Doug Bennett, Chair
House Appropriations Subcommittee on Environmental Quality
State Capitol
P.O. Box 30014
Lansing, Michigan 48909-7536

Dear Governor Granholm, Senators Jelinek and Garcia, and Representatives Cushingberry and Bennett:

In accordance with Section 901 of Public Act 343 of 2006, enclosed is the Department of Environmental Quality's (DEQ) report on the use of the National Pollutant Discharge Elimination System fund created in MCL 324.3121 for Fiscal Year 2006.

If you should need further information, please contact Mr. Richard A. Powers, Chief, Water Bureau, at 517-335-4176, or you may contact me.

Sincerely,


Steven E. Chester
Director
517-373-7917

Enclosure

Governor Jennifer M. Granholm
Senator Ron Jelinek
Senator Valde Garcia
Representative George Cushingberry, Jr.
Representative Doug Bennett

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February 9, 2007

cc/enc: Ms. Teresa Bingman, Governor's Office
Ms. Jessica Runnels, Senate Fiscal Agency
Dr. Kirk Lindquist, House Fiscal Agency
Ms. Jennifer Harrison, Department of Management and Budget
Mr. Stanley F. Pruss, Deputy Director, DEQ
Ms. Carol Linteau, Legislative Liaison, DEQ
Mr. James Kasprzak, DEQ
Mr. Richard A. Powers, DEQ
Mr. Frank J. Baldwin, DEQ
Ms. Karen Duling, DEQ
Mr. Pete Ostlund, DEQ

Michigan Department of Environmental Quality
Water Bureau

Section 901 of Public Act 343 of 2006
Report to the Michigan Legislature

Section 901

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

Items (a) and (b) are summarized in the attached table. We offer the following clarifications to the data:

- All inspections are compliance inspections.
- A portion of compliance inspections are in response to complaints received by the department.
- All inspections have an on-site component. We do not track review of compliance data that is done in the office setting.
- The term "significant noncompliance" (SNC) is defined for the purpose of our report as meaning an issue of noncompliance was discovered during the inspection that warrants response by means of an enforcement action (such as issuance of a notice letter or notice of noncompliance). SNC as used in the National Pollutant Discharge Elimination System (NPDES) Program is a specific term that currently has no meaning when applied to inspections.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

Eleven cases were resolved through Administrative Consent Orders containing compliance programs, with a total of \$367,180 assessed in fines and penalties:

NSI Engineers & Contractors - assessed \$29,588
Village of Cassopolis - assessed \$15,500
Union Township - assessed \$27,500
Leoni Township - assessed \$101,732
Genoa-Osceola Sewer and Water Authority – assessed \$58,766
City of Big Rapids – assessed \$24,300
City of New Baltimore – assessed \$27,872
Houghton Lake Sewer Authority – assessed \$36,477
Weesaw Township – assessed \$12,500
Swisslane Dairy Farm – assessed \$17,000
Ryzebol Dairy – assessed \$15,945

Twenty-two administrative actions were initiated through a Letter of Violation for nonpayment of the 2006 NPDES permit fees, totaling \$27,825, plus late penalties. Seventeen were resolved in 2006, resulting in the collection of \$24,512.34 (\$23,968.66 in fees and \$543.68 in late charges). One action was withdrawn because the fee invoice was issued in error. Three actions were taken to revoke the NPDES permit due to unpaid permit fees. One action will be referred to the Department of Treasury for collection.

Twelve administrative actions were taken via entry into a Certificate of Entry of a General Administrative Consent Order for Unpermitted Discharges. Entry into the Administrative Consent Order requires the facilities to apply for the NPDES permit and pay the associated permit fee with a total of \$3,060.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

Five cases were resolved through a judicial Consent Decree containing compliance programs with a total of \$319,500 assessed in fines and penalties:

- Buena Vista Charter Township – assessed \$55,000
- Bulk Petroleum – assessed \$195,000
- City of Allen Park – assessed \$7,500
- Hoffland Dairy – assessed \$20,000
- New Flevo Dairy – assessed \$42,000

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

One settled case involved a Supplemental Environmental Project (SEP). The Weesaw Township SEP is valued at \$14,997 and involves conducting a public education campaign for the proper operation and maintenance of septic systems and the importance of agriculture buffer strips.

Attachment

NPDES Permit Fee Category	Total Number of Compliance Inspections	Number of Compliance Inspections Conducted Following Up On Complaints	Number of Compliance Inspections That Were Not Announced	Number of Inspections That Found Significant Noncompliance (defined by follow-up enforcement action)	Percent of Inspections That Found Facilities In Significant Noncompliance (defined by follow-up enforcement action)
Industrial-Commercial Major	98	3	77	5	5.1%
Industrial-Commercial Minor, low-flow (COC)	215	1	144	7	3.3%
Industrial-Commercial Minor, high-flow (COC)	42	1	34	1	2.4%
Industrial-Commercial Minor, low-flow (IP)	86	3	49	3	3.5%
Industrial-Commercial Minor, high-flow (IP)	49	1	39	2	4.1%
Municipal Major, 500 MGD or greater (IP)	3	0	1	0	0.0%
Municipal Major, 50 MGD to less than 500 MGD (IP)	10	0	6	1	10.0%
Municipal Major, 10 MGD to less than 50 MGD (IP)	36	3	26	1	2.8%
Municipal Major, less than 10 MGD (IP)	122	0	97	5	4.1%
Municipal Minor, 1 MGD to less than 10 MGD (IP)	34	2	26	3	8.8%
Municipal Minor, less than 1 MGD (IP)	78	1	58	4	5.1%
Municipal Minor, high-flow (COC)	1	0	0	0	0.0%
Municipal Minor, low-flow (COC)	164	5	138	13	7.9%
Municipal Minor CSO (IP)	3	0	2	0	0.0%
Minor Wastewater Stabilization Lagoon (IP)	34	0	29	0	0.0%
Agricultural Purpose Permit (IP or COC)	26	3	15	2	7.7%
Agricultural Purpose Permit Minor, low-flow	85	24	45	10	11.8%
Discharge only to a Municipal System	1	0	1	0	0.0%
Totals	1087	47	787	57	5.2% (overall percentage)

COC = Certificate of Coverage

IP = Industrial Pretreatment

MGD = million gallons per day

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